

<010>	Study Area Code	532364
<015>	Study Area Name	COLTON TEL CO
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Stephanie Sauvageau
<035>	Contact Telephone Number: Number of the person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	stephanie@coltontel.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100>	Service Quality Improvement Reporting (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300>	Unfulfilled Service Requests (voice) 0	<input type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice) (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband) 0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband) (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)	<input type="checkbox"/>	<input type="checkbox"/>
<410>	Fixed 0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<420>	Mobile 0.0	<input type="checkbox"/>	<input type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440>	Fixed 0.0	<input type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile 0.0	<input type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<510>	532364or510.pdf (attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<600>	Functionality in Emergency Situations (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<610>	532364or610.pdf (attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<700>	Company Price Offerings (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800>	Operating Companies and Affiliates (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/> (if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100>	Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/> (if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers (complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	532364
<015>	Study Area Name	COLTON TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Sauvageau
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

532364or112.pdf

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How (USF) was used to improve service quality
 <116> How (USF) was used to improve service coverage
 <117> How (USF) was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

✓
✓
✓
✓
✓

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532364
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<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

[illegible]

<p>(700) Price Offerings including Voice Rate Data Data Collection Form</p>	<p>FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013</p>
---	---

July 2013

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	532364
<015>	Study Area Name	COLTON TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Sauvageau
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

[illegible]

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532364
<015>	Study Area Name	COLTON TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Sauvageau
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- | | | |
|--------------------|--|--|
| <921> | Needs assessment and deployment planning with a focus on Tribal community anchor institutions. | |
| <922> | Feasibility and sustainability planning; | |
| <923> | Marketing services in a culturally sensitive manner; | |
| <924> | Compliance with Rights of way processes | |
| <925> | Compliance with Land Use permitting requirements | |
| <926> | Compliance with Facilities Siting rules | |
| <927> | Compliance with Environmental Review processes | |
| <928> | Compliance with Cultural Preservation review processes | |
| <929> | Compliance with Tribal Business and Licensing requirements. | |

Select (Yes, No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	532364
<015>	Study Area Name	COLTON TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Sauvageau
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

<1120> Please check this box to confirm no terrestrial backhaul
options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers
broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers**Lifeline****Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<015>	Study Area Name	COLTON TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Sauvageau
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

532364or1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

<010>	Study Area Code	532364
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<035>	Contact Telephone Number - Number of person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)} ☐
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)} ☐

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification ☐
- <2013> 2014 Frozen Support Certification ☐
- <2014> 2015 Frozen Support Certification ☐
- <2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification ☐
- <2018> 5th year Broadband Service Certification ☐
- <2019> Interim Progress Certification ☐
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532364
<015>	Study Area Name	COLTON TEL CO
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<030>	Contact Name - Person USAC should contact regarding this data	Stephanie Sauvageau
<035>	Contact Telephone Number - Number of person identified in data line <030>	5038245863 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	stephanie@coltontel.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan
Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313(f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
(3014) If yes, does your company file the RUS annual report

(Yes/No)

(Yes/No)



Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☒
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

532364or3017.pdf

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, is your company audited?

(Yes/No)



If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐

- (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐

- (3023) Underlying information subjected to a review by an independent certified public accountant ☐

- (3024) Underlying information subjected to an officer certification. ☐

- (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	532364
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: COLTON TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 06/24/2014
Printed name of Authorized Officer: Steven Krogue	
Title or position of Authorized Officer: Chief Operations Officer	
Telephone number of Authorized Officer: 5038243211 ext.	
Study Area Code of Reporting Carrier: 532364	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Colton Telephone Company
Five Year Service Quality Improvement Plan
2015-2019

PREAMBLE

This 5 year improvement plan is a section of the Company's 2014 Annual Report. It is in compliance with § 54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161). This document also incorporates further clarifications identified in subsequent Reconsideration Orders, as applicable, in effect prior to the filing of the Annual Report.

Colton Telephone Company ("ColtonTel") has carefully developed its improvement plan, concentrating on the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stipulated by regulatory rule.

ColtonTel advises that this improvement plan has been carefully crafted, matching measured network deployment, improvement and quality service levels with known financial implications of the Transformation Order upon the company's support cash-flows. The uncertainty of such cash flows being received in the outer-years as a result of current and potential regulatory action on rural rate-of-return carriers has resulted in the Company taking a balanced yet realistic approach.

The environment in which the Company operates remains dynamic, not static. As a result, ColtonTel reserves the opportunity to modify its plan in response to further regulatory decisions as they are adopted, and their implication upon the Company's financial viability in providing the required services and service level quality becomes known.

ColtonTel will re-evaluate this plan on an annual basis. Action, however, may also be taken abruptly on the presented plan for both current and outer years in the event of evolving regulatory conditions and/or changes in technology (vendor)-driven support. All adjustments to the improvement plan in this document will be reflected and explained in subsequent annual reports.

INTRODUCTION

ColtonTel is a cooperative established in 1912 in the unincorporated community of Colton, Oregon. ColtonTel provides voice, data, and video services to a single exchange (Colton) and operates with eight full time employees. The ColtonTel service area is a "bedroom" community of the Portland area and is primarily residential, with a small number of businesses. These businesses are predominantly home-based. The anchor institution consists of one school district with three campus locations. There are no community centers or public service institutions, such as libraries or medical facilities.

ColtonTel serves a single wire center that covers approximately 62 square miles of contiguous area. There are approximately 1,064 homes and 3,000 residents. Every home served with voice services is also capable of receiving broadband service with at least minimum download speeds of 4 Mg and minimum upload speeds of 1 Mg. ColtonTel does not currently offer data only broadband service. The current broadband penetration rate is 80%. There are currently no unserved customers within the ColtonTel exchange.

ColtonTel faces the challenge of a serving area with rugged terrain, a small number of local businesses, and few anchor institutions. In recognition the company has carefully planned and utilized resources in a cost effective manner while continuing to upgrade, and maintain, a reliable network. To continue this responsibility, ColtonTel has acquired funding in the form of a loan from the Rural Utility Service. This loan agreement was effective July 25, 2013 for the amount of \$7,330,000. These funds will be utilized to ensure updated, reliable, and cost effective services to subscribers for years to come by upgrading the entire service area from copper to fiber.

Prior to 2015, approximately 41% of ColtonTel customers, about 435 subscribers, will be served with a fiber to the home connection. The fiber construction for an additional 23%, or 240 customers, will be completed with preparations necessary to connect those homes in 2015. This project will cover approximately 48 square miles. ColtonTel has invested approximately \$1.2 million of general funds in this project and will utilize approximately \$2.9 million in loan funds from RUS.

Customers served by fiber will be offered broadband packages with download speeds ranging from 10 Mg to 75 Mg. The remaining customers, serviced by copper connections, have broadband packages available with download speeds ranging from 2 Mg to 10 Mg. Every customer in the service area has access to a 10 Mg service, however, many chose to subscribe to the lower 2 Mg service due to affordability issues.

ColtonTel will continue to use the existing soft switch equipment throughout this project. Upgrades will be made only as required to accommodate the new FTTH network. (See attached map - Phase I)

SUPPORT FUNDING

Consistent with Commission requirements, this Service Quality Improvement Plan addresses only ColtonTel's regulated eligible telecommunications carrier operations.¹ A detailed description of ColtonTel's plans for the provision of the supported services in the five-year period starting with January 2015 is provided herein.

¹Per 47 C.F.R. § 54.314, federal USF support, "will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." If investments or expenses are for service areas larger than the supported service areas, then allocations of the expenditures are required.

Per the Universal Service Administrative Company (USAC), for the calendar year 2013, ColtonTel received a total of \$1,059,189 (as of 6/20/14) in USF support funds. The breakdown of the funding for the year was:

- \$ 564,405 High Cost Loop Support,
- \$ 15,912 Local Switching Support
- \$ 91,002 Connect America Fund-Intercarrier Compensation Support
- \$ 387,870 Interstate Common Line Support

All funds were used in 2013 to both: 1) maintain, upgrade, and improve the Company's network and, 2) cover its operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband throughout its service area. Support funds represent approximately 59% of the operating revenues of ColtonTel.

IMPROVEMENT PLANS BY YEAR (2015-2019 Inclusive)

2015

During 2015, ColtonTel plans to connect the customers to the mainline constructed in the prior year, Phase I. The cost of these connections, and the related electronics, will be approximately \$800,000. In addition, ColtonTel will complete the construction necessary to provide fiber to every customer within the exchange, Phase II. This will cover an additional 14 square miles and provide fiber service to an additional 19% of customers, about 200 subscribers, in 2015. The remaining 17% of customers, approximately 190, will be connected in 2016. This project will cost approximately \$2.4 million and will be funded primarily with RUS loan funds. ColtonTel plans to utilize general funds, which includes support funding, as much as possible to reduce the total loan amount. (See attached map – Phase II)

2016

In 2016, ColtonTel will finish connecting the remaining 17% of customers (a total of 190 covering 7 square miles) to the fiber mainline constructed in 2015. The cost of these connections and related electronics will be approximately \$600,000. This will provide every subscriber in the service area with access to broadband download speeds up to 75 Mg. and will enable ColtonTel to offer increased speeds to meet future demand.

2017-2019

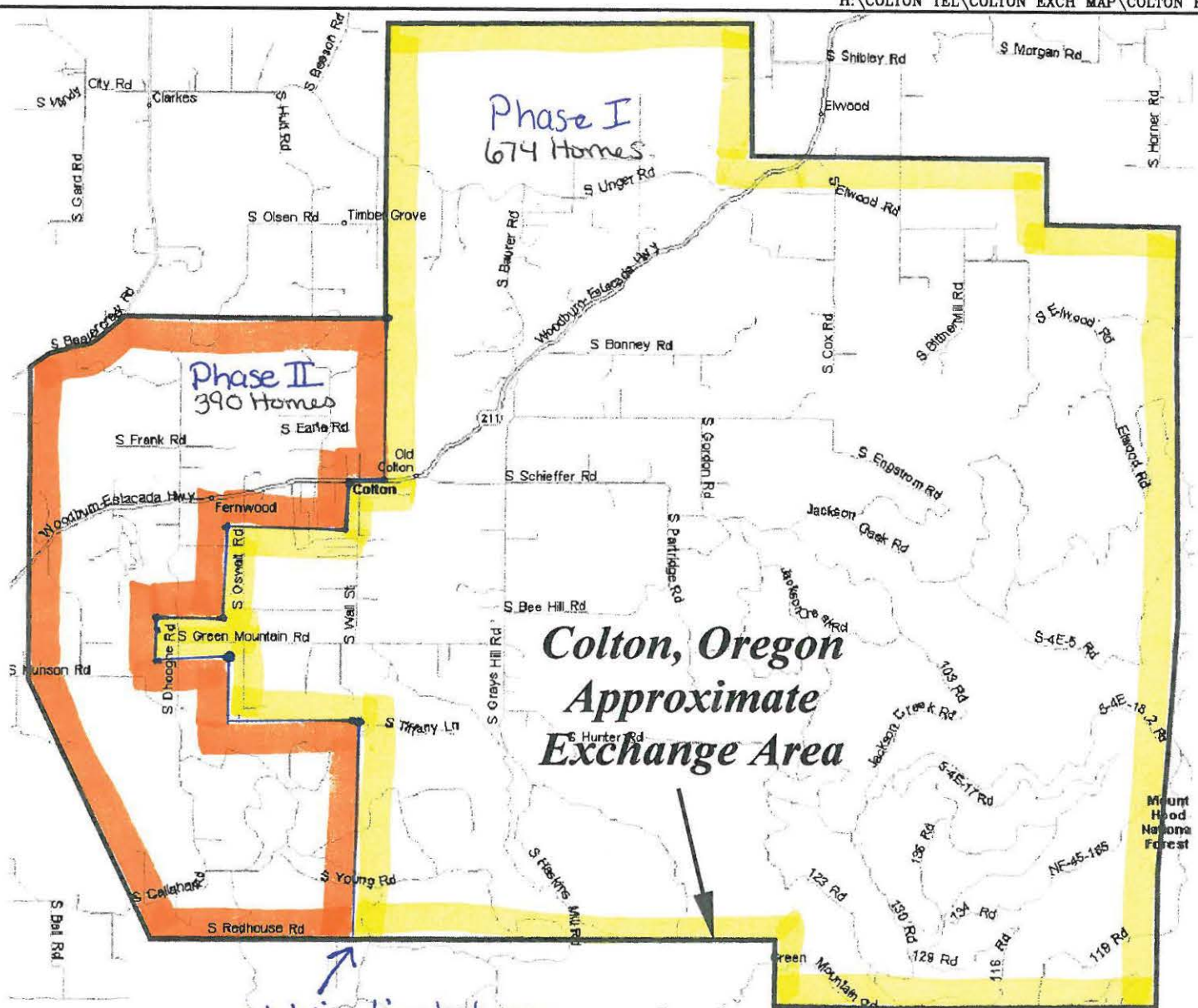
For 2017 through 2019 ColtonTel has no specific capital improvements planned. The company will maintain the fiber network and upgrade electronic equipment as needed to meet customer demands for greater broadband speeds and to avoid obsolescence.

An average of general capital expenditures for prior years supports a budget of approximately \$200,000 per year for ongoing capital investments including general

purpose computers, vehicles and lift trucks, and electronic equipment for the maintenance and upgrade of the network.

CONCLUSION

The five-year plan for the provision of supported services by ColtonTel will result in a Fiber to the Home connection for every subscriber in the exchange. This will position the company well to meet future service requirements and is expected to reduce ongoing maintenance costs. The feasibility of this project is dependent on support funding to meet the proposed deployment schedule and to enable ColtonTel to service its current and future debt obligations to RUS.



Colton, Oregon
Approximate
Exchange Area

Dividing line between
Phase I & Phase II



REVISIONS		State of Oregon		DATE: June 11, 2010	
No.	DATE	Colton Exchange Location Map		DWG. BY: FEC/MJS	
				Sht. # 2 of 2	

COLTON TELEPHONE COMPANY
2014 Annual 54.313 Report of High-Cost Recipient

Line 510 Documentation

54.313(a)(5) Satisfaction of Consumer Protection and Service Quality Standards

Consumer Protection

Colton Telephone Company complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Colton Telephone Company complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

COLTON TELEPHONE COMPANY
2014 Annual 54.313 Report of High-Cost Recipient

Line 610 Documentation

54.313(a)(6) Ability to Remain Functional in Emergency Situations

Back-up Power

Colton Telephone Company has the following back-up power capabilities:

Switch

Katolight Generator Model D150FPV4
150 Kilowatts with a diesel tank capacity of 550 gallons.
Operation time of 50 hours with a full load.

Subscriber carrier

Nine remote DLC sites each contain the same back-up power capability. Batteries in each site provide at least 8 hours of runtime. Any power outage automatically triggers an alarm for a technician callout. Outside plant crews provide auxiliary generators to each site to maintain power as needed. The generators are 220v, 5000 watt, gasoline powered. The capacity of 6 gallons allows for a runtime of 11 hours at 50% load.

Network Interface Devices (NIDs)

Colton Telephone Company has 824 customers with metallic (copper) connections to the Central Office and Subscriber Carrier sites. These NIDs are powered from the Central Office and the fiber-fed Subscriber Carrier sites. Colton also has 103 customers with fiber connections. These NIDs are powered over a copper connection from the Central Office.

Ability to reroute traffic around damaged facilities:

Colton Telephone Company currently has 2 OC3 facilities to create a SONET ring on redundant fiber to Molalla Communications and Canby Telephone, This ring carries toll and EAS trunking through Molalla, Canby and off to Centurylink facilities to the toll tandem. Colton Telephone Company also has 2 direct trunks to neighboring Telephone company Beaver Creek Cooperative Telephone. These trunks and carry Toll traffic as well as redundant a E911 circuit and SS7 circuit. Colton Telephone also has 2 OC48 facilities to create a SONET Ring to Reliance Connects and Molalla Communications via the WIN Ring (Western Independent Networks).

Capability to manage traffic spikes resulting from emergency situations

Colton Telephone Company has 927 customers, switching capacity of 112,000 concurrent calls and 250,000 busy hour call attempts, and transport capacity for 336 simultaneous calls via outside trunks. Colton Telephone Company takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

Colton Telephone Company
Terms & Conditions of Voice Telephony Lifeline Plans
FCC Form 481 Line 1210

The Lifeline program for Colton Telephone Company is administered by the Oregon Public Utility Commission (OPUC), through the Oregon Telephone Assistance Program (OTAP). Potential customers apply directly with the OPUC to qualify for a credit of up to \$12.75, which is applicable to eligible telephone plan charges. The OPUC notifies Colton Telephone of customer eligibility. Customers can choose any telephone plan offered by Colton Telephone Company and will continue to receive the Lifeline credit until Colton Telephone is notified by the OPUC that they are no longer eligible, or until the customer disconnects service. The OPUC application for Lifeline service, which details the terms and conditions of the plan, is included on the following four pages.

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Colton Telephone Company subscriber, are free to choose their own toll usage plans through IXC's that serve Colton Telephone Company.

TEXT SIZE: A+ A- A • TEXT ONLY TRANSLATE = Find

Public Utility Commission (Home)

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Assistance Programs](#)[Safety](#)[Telecommunications](#)[Water](#)[Board of Maritime Pilots](#)[Home](#)[Jobs at PUC](#)**Oregon Lifeline (Oregon Telephone Assistance Program)**

The Oregon Public Utility Commission (PUC) manages the Oregon Lifeline program. If you qualify, this federal and state government assistance program reduces your monthly residential/landline or wireless phone bill by \$12.75.

[List of residential/landline and wireless companies that provide the Oregon Lifeline benefit](#)

How to Apply for Lifeline:**Using Online Application:**

Submit your application online if you or a member of your household participates in one of the following programs:

- Supplemental Nutrition Assistance Program; Food Stamps (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Supplemental Security Income (SSI)
- State Medical Programs at or below 135% of federal poverty guidelines)
- Medicaid

Using Printed Application:

Complete and send a printed application to our office with the current documentation if you or a member of your household participates in one of the following programs or meets the income requirements:

- National School Lunch Program; Free Lunch Program Only (NSLP)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Total household income is at or below 135% of federal poverty guidelines

[Click Here to
Apply Online](#)

[Click Here to
Print Application](#)

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[Contact Oregon Lifeline \(RSPF\)](#)

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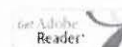
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Adobe Reader, or equivalent, is required to view PDF files. Click the "Get Adobe Reader" image to get a free download of the reader from Adobe.



USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

BORROWER NAME

Colton Telephone Company

(Prepared with Audited Data)

TRUCTIONS-Submit report to RUS within 30 days after close of the period.
detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING
December, 2013

BORROWER DESIGNATION
OR0521

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Stephanie Sauvageau

3/28/2014

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
URRENT ASSETS			CURRENT LIABILITIES		
Cash and Equivalents	423,956	631,554	25. Accounts Payable	70,927	129,996
Cash-RUS Construction Fund	63,410	63,410	26. Notes Payable		
Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable	30,945	32,114	28. Customer Deposits	2,814	2,536
b. Other Accounts Receivable	70,047	177,248	29. Current Mat. L/T Debt	226,204	52,588
c. Notes Receivable	111,925	0	30. Current Mat. L/T Debt-Rur. Dev.		
Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities	86,364	156,536
Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	386,309	341,656
Material-Regulated	13,925	19,761	LONG-TERM DEBT		
Material-Nonregulated	41,360	43,355	36. Funded Debt-RUS Notes	635,838	583,300
Prepayments	37,642	37,212	37. Funded Debt-RTB Notes		
Other Current Assets			38. Funded Debt-FFB Notes	0	
Total Current Assets (1 Thru 9)	793,210	1,004,654	39. Funded Debt-Other		
NCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	0	
b. Nonrural Development	646,134	620,757	46. Total Long-Term Debt (36 thru 45)	635,838	583,300
Nonregulated Investments	222,040	155,429	OTHER LIAB. & DEF. CREDITS		
Other Noncurrent Assets			47. Other Long-Term Liabilities	51,848	58,348
Deferred Charges			48. Other Deferred Credits		
Jurisdictional Differences			49. Other Jurisdictional Differences		
Total Noncurrent Assets (11 thru 16)	868,174	776,186	50. Total Other Liabilities and Deferred Credits (47 thru 49)	51,848	58,348
ANT, PROPERTY, AND EQUIPMENT			EQUITY		
Telecom, Plant-in-Service	7,979,583	8,231,938	51. Cap. Stock Outstand. & Subscribed		
Property Held for Future Use			52. Additional Paid-in-Capital		
Plant Under Construction	0	27,249	53. Treasury Stock		
Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
Less Accumulated Depreciation	5,084,308	5,384,125	55. Other Capital		
Net Plant (18 thru 21 less 22)	2,895,275	2,875,062	56. Patronage Capital Credits	3,482,664	3,672,598
TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
	4,556,659	4,655,902	58. Total Equity (51 thru 57)	3,482,664	3,672,598
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,556,659	4,655,902

Total Equity = 78.88% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		OR0521	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2013	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		594,229	565,284
2. Network Access Services Revenues		1,638,772	1,741,337
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues		18,905	17,810
5. Miscellaneous Revenues		41,003	38,961
6. Uncollectible Revenues		65	(604)
7. Net Operating Revenues (1 thru 5 less 6)		2,292,844	2,363,996
8. Plant Specific Operations Expense		552,561	603,282
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		52,992	49,823
10. Depreciation Expense		438,841	367,861
11. Amortization Expense			
12. Customer Operations Expense		116,763	126,528
13. Corporate Operations Expense		814,752	735,134
14. Total Operating Expenses (8 thru 13)		1,975,909	1,882,628
15. Operating Income or Margins (7 less 14)		316,935	481,368
16. Other Operating Income and Expenses			
17. State and Local Taxes		150	0
18. Federal Income Taxes			
19. Other Taxes		51,083	41,775
20. Total Operating Taxes (17+18+19)		51,233	41,775
21. Net Operating Income or Margins (15+16-20)		265,702	439,593
22. Interest on Funded Debt		50,824	38,071
23. Interest Expense - Capital Leases			
24. Other Interest Expense		425	9
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)		51,249	38,080
27. Nonoperating Net Income		(27,039)	(25,377)
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		(57,044)	(16,917)
31. Total Net Income or Margins (21+27+28+29+30-26)		130,370	359,219
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital		130,370	359,219
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		0	0
40. Patronage Capital Beginning-of-Year		3,423,404	3,482,664
41. Transfers to Patronage Capital		130,370	359,219
42. Patronage Capital Credits Retired		71,110	169,285
43. Patronage Capital End-of-Year (40+41-42)		3,482,664	3,672,598
44. Annual Debt Service Payments		280,545	264,224
45. Cash Ratio [(14+20-10-11) / 7]		0.6927	0.6584
46. Operating Accrual Ratio [(14+20+26) / 7]		0.9065	0.8302
47. TIER [(31+26) / 26]		3.5439	10.4333
48. DSCR [(31+26+10+11) / 44]		2.2116	2.8959

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0521

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Colton	28.60	16.50	99	828	927	182.59	25.84
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			99	828	927	182.59	25.84
No. Exchanges	1						

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OR0521

PERIOD ENDED

December, 2013

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Colton	927	736	255	768	384	34.95	StandAlone	DSL
Total	927	736						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION OR0521 PERIOD ENDING December, 2013		
INSTRUCTIONS- See RUS Bulletin 1744-2					
PART D. SYSTEM DATA					
1. No. Plant Employees	5	2. No. Other Employees	4	3. Square Miles Served	62
			4. Access Lines per Square Mile	14.95	5. Subscribers per Route Mile 5.08
PART E. TOLL DATA					
1. Study Area ID Code(s) a. _____ b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div>Interstate:</div> <div> <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Intrastate:</div> <div> <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis </div> </div>			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					322,599
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					322,599
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

OR0521

PERIOD ENDING

December, 2013

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☒

YES

☐

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	11.40%
2. Land and support assets - Aircraft	11.40%
3. Land and support assets - Special purpose vehicles	11.40%
4. Land and support assets - Garage and other work equipment	7.50%
5. Land and support assets - Buildings	3.60%
6. Land and support assets - Furniture and Office equipment	7.23%
7. Land and support assets - General purpose computers	15.00%
8. Central Office Switching - Digital	11.90%
9. Central Office Switching - Analog & Electro-mechanical	6.30%
10. Central Office Switching - Operator Systems	6.30%
11. Central Office Transmission - Radio Systems	6.30%
12. Central Office Transmission - Circuit equipment	10.60%
13. Information origination/termination - Station apparatus	10.60%
14. Information origination/termination - Customer premises wiring	10.60%
15. Information origination/termination - Large private branch exchanges	10.60%
16. Information origination/termination - Public telephone terminal equipment	10.60%
17. Information origination/termination - Other terminal equipment	10.60%
18. Cable and wire facilities - Poles	6.00%
19. Cable and wire facilities - Aerial cable - Metal	5.80%
20. Cable and wire facilities - Aerial cable - Fiber	5.80%
21. Cable and wire facilities - Underground cable- Metal	4.60%
22. Cable and wire facilities - Underground cable- Fiber	5.30%
23. Cable and wire facilities - Buried cable - Metal	5.30%
24. Cable and wire facilities - Buried cable - Fiber	4.80%
25. Cable and wire facilities - Conduit systems	2.00%
26. Cable and wire facilities - Other	5.30%

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		OR0521
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2013
PART I – STATEMENT OF CASH FLOWS		
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	487,366
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	359,219
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	367,861
4.	Add: Amortization	0
5.	Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	(108,370)
7.	Decrease/(Increase) in Materials and Inventory	(7,831)
8.	Decrease/(Increase) in Prepayments and Deferred Charges	430
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	59,069
11.	Increase/(Decrease) in Advance Billings & Payments	0
12.	Increase/(Decrease) in Other Current Liabilities	70,172
13.	Net Cash Provided/(Used) by Operations	740,550
CASH FLOWS FROM FINANCING ACTIVITIES		
14.	Decrease/(Increase) in Notes Receivable	111,925
15.	Increase/(Decrease) in Notes Payable	0
16.	Increase/(Decrease) in Customer Deposits	(278)
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(226,154)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	6,500
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20.	Less: Payment of Dividends	0
21.	Less: Patronage Capital Credits Retired	(169,285)
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	(277,292)
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(279,604)
25.	Other Long-Term Investments	91,988
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain) Retirements of Plant Assets	(68,044)
28.	Net Cash Provided/(Used) by Investing Activities	(255,660)
29.	Net Increase/(Decrease) in Cash	207,598
30.	Ending Cash	694,964

Revision Date 2010